

H. RES. ____

**Senate Amendments to H.R. 3590 – the “Patient Protection and Affordable
Care Act”**

H.R. 4872 – the “Reconciliation Act of 2010”

1. Provides two hours of debate on the Senate amendments and on H.R. 4872 equally divided and controlled by the Majority Leader and Minority Leader or their designees.
2. After debate as provided above, makes in order a motion offered by the Majority Leader or a designee that the House concur in the Senate amendments to H.R. 3590.
3. Makes the motion in order without intervention of any point of order except those arising under clause 10 of rule XXI. The Senate amendments and the motion shall be considered as read.
4. If the motion to concur in the Senate amendments to H.R. 3590 is adopted, provides a closed rule for consideration of H.R. 4872.
5. Waives all points of order against consideration of H.R. 4872 except those arising under clause 10 of rule XXI.
6. Provides that the amendment in the nature of a substitute printed in part A of the Rules Committee report accompanying the resolution, modified by the amendment printed in part B of the Rules Committee report, shall be considered as adopted and the bill, as amended, shall be considered as read.
7. Waives all points of order against H.R. 4872, as amended.
8. Provides one motion to recommit H.R. 4872 with or without instructions.
9. Provides that until completion of the first three sections of the resolution, (a) the Chair may decline to entertain any intervening motion, resolution, question, or notice; (b) the Chair may decline to entertain the question of consideration; (c) the Chair may postpone proceedings until such time as determined by the Speaker; (d) the second sentence of clause 1(a) of rule XIX shall not apply (regarding 40 minutes of debate on non-debatable questions); and (e) any proposition admissible under the first three sections of the resolution shall be considered as read.

10. Provides that in the engrossment of H.R. 4872, the Clerk shall amend the title of the bill.

RESOLUTION

Resolved, That upon the adoption of this resolution it shall be in order to debate the topics addressed by the Senate amendments to the bill (H.R. 3590) to amend the Internal Revenue Code of 1986 to modify the first-time homebuyers credit in the case of members of the Armed Forces and certain other Federal employees, and for other purposes, and the topics addressed by the bill (H.R. 4872) to provide for reconciliation pursuant to section 202 of the concurrent resolution on the budget for fiscal year 2010, for two hours equally divided and controlled by the Majority Leader and Minority Leader or their respective designees.

Sec. 2. After debate pursuant to the first section of this resolution, it shall be in order to take from the Speaker's table the bill (H.R. 3590) to amend the Internal Revenue Code of 1986 to modify the first-time homebuyers credit in the case of members of the Armed Forces and certain other Federal employees, and for other purposes, with the Senate amendments thereto, and to consider in the House, without intervention of any point of order except those arising under clause 10 of rule XXI, a single motion offered by the Majority Leader or his designee that the House concur in the Senate amendments. The Senate amendments and the motion shall be considered as read. The previous question shall be considered as ordered on the motion to final adoption without intervening motion or demand for division of the question.

Sec. 3. If the motion specified in section 2 is adopted, it shall be in order to consider in the House the bill (H.R. 4872) to provide for reconciliation pursuant to section 202 of the concurrent resolution on the budget for fiscal year 2010 if called up by the Majority Leader or his designee. All points of order against consideration of the bill are waived except those arising under clause 10 of rule XXI. The amendment in the nature of a substitute printed in part A of the report of the Committee on Rules accompanying this resolution, modified by the amendment printed in part B of the report of the Committee on Rules, shall be considered as adopted. The bill, as amended, shall be considered as read. All points of order against provisions in the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except one motion to recommit with or without instructions.

Sec. 4. Until completion of proceedings enabled by the first three sections of this resolution --

(a) the Chair may decline to entertain any intervening motion (except as expressly provided herein), resolution, question, or notice;

- (b) the Chair may decline to entertain the question of consideration;
- (c) the Chair may postpone such proceedings to such time as may be designated by the Speaker;
- (d) the second sentence of clause 1(a) of rule XIX shall not apply; and
- (e) any proposition admissible under the first three sections of this resolution shall be considered as read.

Sec. 5. In the engrossment of H.R. 4872, the Clerk shall amend the title so as to read:
"An Act to provide for reconciliation pursuant to Title II of the concurrent resolution on the budget for fiscal year 2010 (S. Con. Res. 13)."

SUMMARY OF THE AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 4872 IN PART A PROPOSED TO BE CONSIDERED AS ADOPTED

Improves the financing for premiums and cost sharing for individuals with incomes up to 400% of the federal poverty level. Modifies the assessment that individuals who choose to remain uninsured pay in three ways: (a) exempts the income below the filing threshold, (b) lowers the flat payment from \$495 to \$325 in 2015 and from \$750 to \$695 in 2016 and (c) raises the percent of income that is an alternative payment amount from 0.5 to 1.0% in 2014, 1.0 to 2.0% in 2015, and 2.0 to 2.5% for 2016 and subsequent years to make the assessment more progressive. Improves the transition to the employer responsibility policy for employers with 50 or more full-time equivalent workers (FTE) by subtracting the first 30 full time employees from the payment calculation. Modifies the definition of income that is used for purposes of subsidy eligibility and the individual responsibility requirement. Provides a \$250 rebate for all Medicare Part D enrollees who enter the donut hole in 2010. Builds on pharmaceutical manufacturers' 50% discount on brand-name drugs beginning in 2011 to completely close the donut hole with 75% discounts on brand-name and generic drugs by 2020. Freezes Medicare Advantage payments in 2011. Beginning in 2012, the provision reduces Medicare Advantage benchmarks relative to current levels. Ensures Medicare Advantage plans spend at least 85% of revenue on medical costs or activities that improve quality of care, rather than profit and overhead. Strikes the provision for a permanent 100% federal matching rate for Nebraska for the Medicaid costs of expansion populations. Provides federal Medicaid matching payments for the costs of services to expansion populations at the following rates in all states: 100% in 2014, 2015, and 2016; 95% in 2017; 94% in 2018; 93% in 2019; and 90% thereafter. In the case of expansion states, reduces the state share of the costs of covering nonpregnant childless adults by 50% in 2014, 60% in 2015, 70% in 2016, 80% in 2017, 90% in 2018. Requires that Medicaid payment rates to primary care physicians for furnishing primary care services be no less than 100% of Medicare payment rates in 2013 and 2014. Lowers the reduction in federal Medicaid DSH payments from \$18.1 billion to \$14.1 billion and advances the reductions to begin in fiscal year 2014. Delays the application of the high-cost plan excise tax until 2018, which gives the plans time to implement and realize the cost savings of reform; increasing the dollar thresholds to \$10,200 for single coverage and \$27,500 for family coverage (\$11,850 and \$30,950 for retirees and employees in high risk professions). Amends the Higher Education Act to include mandatory funding for the Pell Grant. Terminates the FFEL program for federal consolidation loans. This section also provides that, for a 1 year period, borrowers who have loans under both the Direct Lending program and the FFEL program, or who have loans under either program as well as loans that have been sold to the Secretary, may consolidate such loans under the Direct Lending program regardless of whether such borrowers have entered repayment on such loans. Directs the Secretary to award contracts for servicing federal Direct Loans to eligible non-profit servicers. Permits the Secretary to reallocate, increase, reduce or terminate an eligible non-profit servicer's allocation based on the performance of such servicer. Extends the prohibition of lifetime limits, prohibition on rescissions, and a requirement to provide coverage for non-dependent children up to age 26 to all existing health insurance plans starting six months after enactment. Starting in 2014, extends the prohibition on excessive waiting periods to existing health plans. For group health plans, prohibits pre-existing condition exclusions in 2014 (for children, they are prohibited starting six months after enactment), restricts annual limits beginning six months after

enactment, and prohibits them starting in 2014. Increases mandatory funding for community health centers to \$11 billion over five years (FY 2011 – FY 2015).

SUMMARY OF THE AMENDMENT TO THE AMENDMENT IN THE NATURE OF A
SUBSTITUTE TO H.R. 4872 IN PART B PROPOSED TO BE CONSIDERED AS ADOPTED

Would (1) reduce the growth rate of the Part D spending threshold for catastrophic benefits between 2014 and 2019, providing additional benefits for seniors with high drug costs; (2) add a transitional phase up period for the coding intensity adjustment for Medicare Advantage plans; (3) strike a provision that would have deposited funds collected from Medicare Advantage plans for failing to meet the medical loss ratio into the CMS Program Management Account; (4) insert a new section 1108 that accelerates phase-in of Medicare physician practice expense adjustment for areas with below average practice expense payment rates. In 2010, national blend would be increased from $\frac{1}{4}$ to $\frac{1}{2}$. Inserts a new Section 1109 that provides an additional payment under the Medicare inpatient prospective payment systems to hospitals located in counties in the bottom quartile of counties as ranked by risk adjusted spending per Medicare enrollee; (5) clarify the timing for the election period for territories to choose to establish Exchanges; (6) clarify new requirements for community mental health centers to be eligible to participate in the Medicare partial hospitalization benefit; (7) strike section 1303 of the legislation (CMS-IRS Data Match to Identify Fraudulent Providers); (8) delete a provision providing for transfers of amounts collected from the supplementary medical insurance trust fund; (9) modify the pharmaceutical industry annual fee schedule; (10) modify the excise tax on importers and manufacturers of medical devices by lowering the rate to 2.3 percent and by eliminating the exclusion for Class I medical devices (except if such devices are of a type which is purchased by the general public at retail and for individual use.); (11) strike section 1411 of the legislation (No Impact on Social Security Trust Funds); (12) amend section 1501 to incorporate the funds into the Trade Act and strikes the provision in section 1501 that expands the focus of programs to individuals eligible for unemployment insurance; (13) move the \$13.5 billion in additional Pell funding for fiscal year 2011 into section 401 of the Higher Education Act; (14) strike section 2102 of the legislation (Student Financial Assistance); and (15) strike section 2213 of the legislation (Agreements with State-Owned Banks).